



Alareeb
الاريب

شركائك في التحول الرقمي
Your digital transformation partners



Digital Transformation:

E-BOOK | PART 1



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Introduction

Alareeb ICT shares to you this packed and comprehensive eBook, showcasing 3 of the best key services that Alareeb ICT offers to all clients based in Saudi Arabia and GCC Countries. Take a peek into the world of Digital Transformation, Digital Marketing and Web / Mobile Applications and discover how Alareeb ICT offers all these services, making Alareeb ICT one of the pioneers in digital transformation in the Arab world.



In today's modern world, many companies across the globe have been evolving at a rapid pace to catch up with the latest digital technology and tools that will boost and accelerate success in the digital era. Digital technology is reshaping industries in entirely new ways, **delivering fundamental improvements in terms of personalization, efficiency and security**. In virtually every industry, digital technology is transforming unprecedentedly and reshaping our jobs and lives in ways we never expected.

Digital transformation, digital marketing plus web and mobile app strategies for companies has never been more in demand than today and this eBook will explain what digital transformation, digital marketing and web mobile app strategy is, why these activities are important for your company, how these activities are provided by Alareeb ICT and how they can transform your business to keep up with the global digital revolution that is growing at an exponential pace.



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**Digital
Transformation
is more
about humans
than digital.**

Brian Solis

What is Digital Transformation?

Digital /'dɪdʒɪt(ə)l/

Transformation /,trɑnsfə'meɪʃ(ə)n,tra:nzə'meɪʃ(ə)n,tra:nzə'meɪʃ(ə)n,tra:nzə'meɪʃ(ə)n/

:The process of utilising and applying digital technologies to create new or enhance and modify existing business processes, culture, and customer experiences to meet the changing demands of current businesses and market place.

Alareeb ICT defines digital transformation as *“the process of utilizing and applying digital technologies to create new or enhance and modify existing business processes, culture, and customer experiences to meet the changing demands of current businesses and market place”*

Based on this current definition, we can say that **many businesses have been adapting to digital transformation to improve their processes** as the market has changed a lot since the dawn of the internet in the 80s. Reimagining businesses in today's digital age is digital transformation, and the growing figures of different demographics in different countries globally who are all getting access to the internet and go online on a daily basis makes digital transformation all the more important for businesses who want to target a new market online.

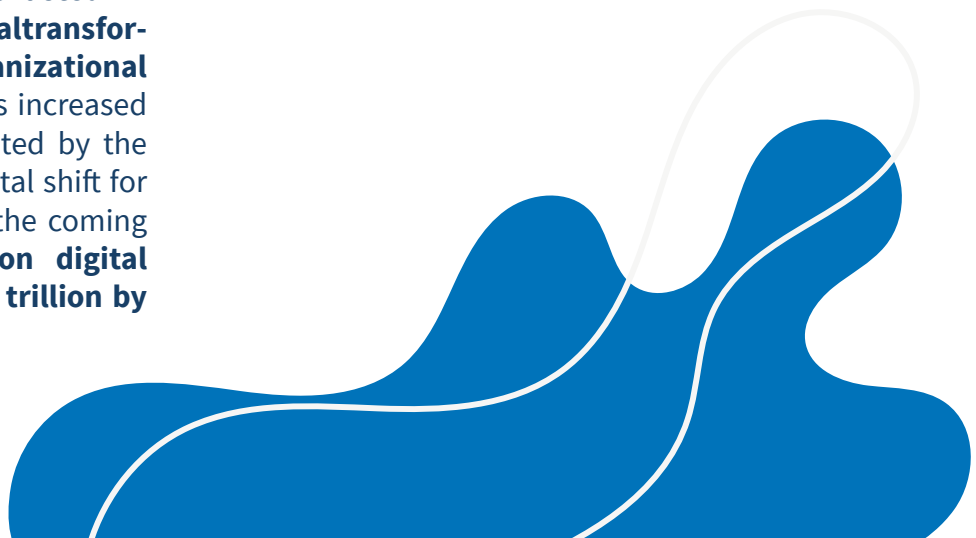
It is estimated that **by 2022, more than half of the 2000 companies listed in Forbes Global¹ will have digital transformation applied on their organizational processes** - a number that has increased exponentially and was expedited by the pandemic that started the digital shift for many companies in 2020. By the coming year, **worldwide spending on digital transformation will reach \$2 trillion by 2022.**²

If companies want to keep up with the fast pace of digital change today, they need to work to improve efficiency through technology where possible. Digital business transformation can only be successful with a well-founded strategy and leadership. **Alareeb ICT has been in the business for over 20 years and is one of the pioneers of digital transformation in Saudi Arabia.** The digital transformation strategy and leadership of Alareeb ICT has been applied to many projects not only in Saudi Arabia, but also other GCC countries. We will explain how Alareeb ICT provides premium digital transformation in this eBook, but before that, we will continue the history of digital transformation in the next part.³

¹ <https://www.forbes.com/lists/global2000/#2300b6f45ac0>

² <https://www.businesswire.com/news/home/20181113005054/en/Worldwide-Spending-Digital-Transformation-2-Trillion-2022>

³ https://en.wikipedia.org/wiki/Digital_transformation



History of Digital Transformation

The history of digital transformation is much deeper than people think. Its **roots can be traced back to the 1940s**, and it is likely to continue to shape the global economic landscape in the coming decades. Here is a timeline to give you a visual history of digital transformation, starting from the groundbreaking 1948 paper **"A Mathematical Theory of Communication"** written by the father of modern digital communications and information theory, MIT Professor Emeritus **Claude E. Shannon**⁴, up to the era of cloud, artificial intelligence (AI), intelligent automation, intercepted with highlights from Alareeb ICT's digital transformation history over the years:

⁴ <https://news.mit.edu/2001/shannon>

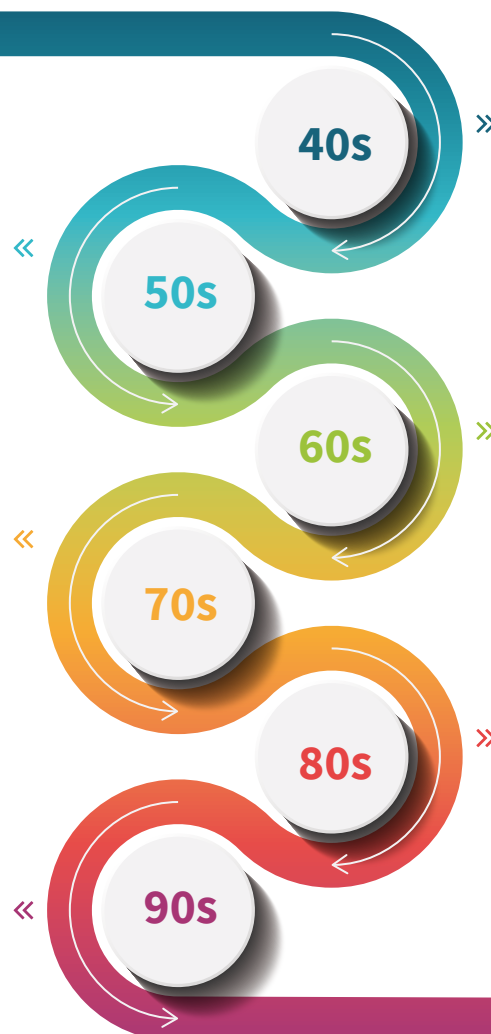
DIGITIZATION THROUGH THE DECADES

Digitization, the conversion of analog technology into a digital format has been disrupting business processes since the 40s when the digital revolution began.

The microchip and today's most widely used semiconductor transistors invented. Analog computing can no go digital.

Home personal computers are introduced. The video game, Space Invaders ushered in the golden age of digital arcade video games. Data entry jobs start to open up to help companies and organizations convert analog records into digital data.

The World Wide Web became publicly accessible and has become essential to international global culture by the end of the decade. The 1990 World Cup was the first public, digital HDTV broadcast.



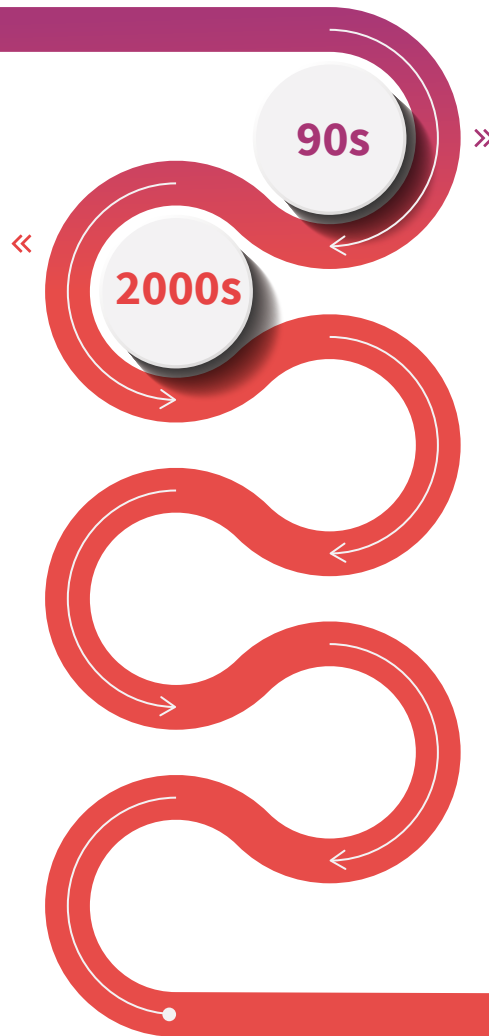
Dr. Claude Shannon writes the book "A Mathematical Theory of Communication" and paves the way for digital revolution.

The first message is sent over ARPANET, the foundation of the Internet. Gordon Moore theorized that computing power doubles once about every year. Moore's law becomes the basis to guide innovations that increase the scope and reach of digitization.

The World Wide Web (www) is invented. Computers achieve semi-ubiquity in developed nations. Automation is applied to the workforce.

Over half of American households own a personal computer and the population of the internet tops 1 Billion. Early on, STC was the only Internet service provider in Saudi Arabia. But in May 2005, Mobily, a new telecommunications company, launched the Saudi Arabian mobile market. Three years later, in August 2008, Zain joined the Saudi Arabian mobile market as another ISP, introducing 4G LTE (Long Term Evolution) services. **Also in 2008, Saudi Telecom started the 3G deployment process**, promising reliability and speed, as well as better digital communication services.⁵

The total number of **Internet subscribers in Saudi Arabia increased dramatically from 100000 internet users in 1999 to one million internet users in 2001.** At the end of 2013, that number reached 16.5 million Internet users, representing 55.1 % of the country's total population. Consequently, the Internet penetration increased dramatically from one million Internet users in Saudi Arabia in 2001 to approximately 16.5 million Internet users at the end of 2013, representing 55.1 % of the country's total population. At present, there are 33.58 million Internet users in KSA and 32.03 million mobile Internet users in KSA.⁶



2G network is introduced and digital mobile phones are sold in commercial markets. In March 1997, the **Council of Ministers officially issued Decree Number 163. This gave the responsibility of introducing Internet service, in terms of organization and operation within Saudi Arabia, to KACST.**

⁵ <https://link.springer.com/article/10.1007/s11528-015-0012-5#ref-CR4>

⁶ <https://www.theglobalstatistics.com/saudi-arabia-social-media-users/>

DIGITAL TRANSFORMATION STARTS

In the 2010s, the digitization of existing analog and manual systems was nearly complete and the next revolution began - digital transformation. Unlike digitization, digital transformation is an organizational process or business process of technological change in industries⁷, organizations, markets and sectors.

Articles from MIT and Deloitte emphasized that strategy and not tech, is the key behind digital transformation. **Alareeb ICT increased presence in KSA** and other GCC countries and was assigned to do the strategy for many digital transformation projects for multinational companies and government organizations in the Middle East region.

Digital budgets grow and software solutions increase in number. Many enterprises transformed their operational processes and solved consumer experience gaps between web, mobile apps, and offline engagements.

The COVID-19 pandemic hit globally. Digital transformation rapidly became a necessity for companies worldwide who relied on mobile, internet and online webinars to keep business processes and work on going. **Alareeb ICT was tasked to handle multiple digital transformation projects in KSA and GCC countries** to cope with the pandemic.



Alareeb ICT was established by Abdullah Alserhani and became one of the pioneers in creating digital transformation projects in the Kingdom of Saudi Arabia (KSA). The understanding of digital transformation morphs from one-off infrastructure projects to a technology first strategic approach.

The Digital Transformation Forum by Forrester recommended that digital transformation is a never ending journey for improvement. The most disrupted industries include: media, telecom and consumer financial services.

Digital transformation continues to dominate business strategy and is the main growth driver for many companies and organizations. Initiatives are built on the third platform, which is a computing platform created from mobile technology, social media, cloud computing, big data and IoT devices.

⁷ <https://auriga.com/blog/2016/digital-transformation-history-present-and-future-trends/>

THE FUTURE OF DIGITAL TRANSFORMATION

Following the COVID-19 pandemic that started in 2020, digital transformation will increasingly be used by many companies globally. Half of the S&P 500 companies will be replaced in the next 10 years. The next decade will be the peak where digital transformation efforts must be implemented or companies and organizations will be left out and get lost in the race.

Half of the Global Forbes 2000 companies will see most of their businesses depend on their ability to create digitally transformed services, experience and products to an increasingly connected world.

There will be a rise in the use of apps, online payments, AI, bots and other digital technology services and products will be part of our daily lives. Business activities will involve the top tech giants - Google, Apple, Amazon, Baidu, Alibaba and Tencent. Spending for digital transformation will achieve a 5-year annual growth rate of 16.7 %.



Tech spending will exceed 3 Trillion USD globally. According to a new report, \$27.593 billion was spent on IT in KSA in 2020, a decline of 1.6 percent compared to 2019. The figure is expected to increase by 2.1 % year-on-year in 2021 to \$27.734 billion, and by **5.1 percent in 2022 and 5.2 % in 2023.**⁸

⁸ <https://www.arabnews.com/node/1866796/business-economy>

Digital transformation is the **result of decades of technological innovation that is slowly but surely changing the way we live and work.** Indeed, digital transformation is likely to continue to play a vital role in shaping the global business environment for decades to come. Digital transformation is a profound transformation of business and organizational activities, processes, skills and models to fully exploit the changes and opportunities for the combination of digital technologies and their accelerated impact on society in a strategic and priority manner, taking into account existing and future changes.

Let us now look at the three important dimensions - **digitization, digitalization and digital transformation** and know the difference between all these three.

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**The biggest part
of your digital
transformation
is changing the way
we think.**

Simeon Preston

The Difference Between Digitization, Digitalization and Digital Transformation



Digitization (technical transformation), Digitalization (business process) and Digital Transformation (effect), all these three dimensions, **accelerates and illuminates the already existing and ongoing processes of horizontal and global social change.** Think about how virtually all business processes are interconnected, the interconnectedness of business operations from the customer's perspective, how information flows through all digital transformations, the impact of events on the economy, and much more. The world is changing faster than ever, and nowhere is this more common than in marketing.⁹

⁹ <https://brilliantnoise.com/blog/a-brief-history-of-digital-transformation>

Digitization: The shift from analog to digital

Not so long ago, companies kept records on paper. Whether it was handwritten on ledgers or entered into documents, corporate data was analog. If you wanted to collect or share information, you were dealing with physical documents: cards and bindings, copiers and faxes. Then computers went mainstream and most companies started converting all of these ink-on-paper notes into digital files. **This is called digitization - the process of converting information from analog to digital.**

Digitization has made it easier to find and share information, but the company's use of new digital recordings largely mimics the old analog methods. Computer operating systems are even designed with folder icons to make new users look familiar and less intimidating. **For enterprises, the efficiency of digital data is exponentially higher than that of analog data,** but business systems and processes still rely heavily on the thinking of how to find, share, and use information in the analog era. Digital transformation adds value to every customer interaction.



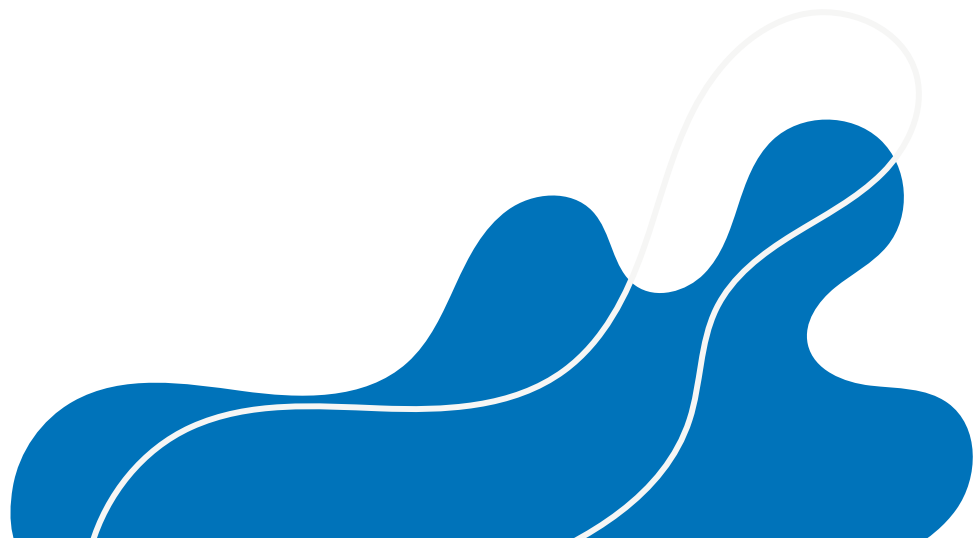
Digitalization: Using digital data to simplify work



Digitalization is the use of digital data to simplify your work. Digitalization is not about changing the way you do business or creating new types of businesses. **It's about continuing to move forward, but it's faster and better now** when your data is instantly available rather than locked in a filing cabinet somewhere in a dusty archive.

Think about customer service, be it retail, field operations, or call centers. **Digitalization changed the service forever by making customer records easily and quickly available on a computer.** The basic customer service methodology has not changed, but the process of answering a query, finding relevant data, and proposing a solution became much more efficient when searching in a paper book was replaced by typing a few keys on the screen or a mobile device.

With the advancement of digital technology, **people began to have ideas for using business technology in new ways, not just doing old things faster.** This is where the idea of digital transformation begins to take shape. With new technology, suddenly new things become possible—and new ways to achieve them.



Digital Transformation: Adding value to customer interactions

Digital transformation adds value to every customer interaction. **Digital transformation is changing the way we do business and, in some cases, creating entirely new business classes.** With digital transformation, companies are taking a step back and redefining everything they do, from internal systems to interacting with customers both online and in person. We are now firmly embedded in the digital age, and companies of all kinds are creating smart, efficient and disruptive ways to use technology.

Spotify is a good example. It started as an audio streaming service and disrupted the music industry and online music streaming business. Today, Spotify is catering to music, audio creators and production studios at the same time, providing a growing library of songs and podcasts at very competitive prices which gives royalties directly to the artists and production outfits that create the songs. **Digital transformation enables Spotify not only to stream mp3 and podcast content directly to clients, but also to gain unprecedented insight into the habits and preferences of listeners.** Spotify uses this data to inform everything from user interface design to premiere singles, whole albums and podcasts. **At Spotify, digital transformation is taking place: using available technologies** to inform how a song, music album or podcast is doing.

Organizations must use digital technologies, like what Spotify did, and their capabilities to transform processes and create new business models to occupy a place in the digital world. Digital transformation, such as social business, digital business, and any form of customer-centric marketing and business processes, all need to be able to work independently.¹⁰

Again, digital transformation is not just a technology or IT issue. And you will find that digitalization of your business matters more than ever before. **Digital transformation allows you to rethink the way you use technology,** people and processes to grow your business in new ways.¹¹

Digital transformation is the integration of digital technology across all areas of your business, revolutionizing the way you work and delivering value to your customers. When we talk more specifically about digital transformation in the business sense of the term, we usually mean how your business integrates new technologies to take advantage of all of its business practices. Take advantage of the opportunities provided by these technologies by **applying these three dimensions - digitization, digitalization and digital transformation** - to meet the new expectations of your market.¹²

¹⁰ <https://www-i-scoop-eu/digital-transformation>

¹¹ <https://imagination-net/blog/what-is-digital-transformation-importance-for-businesses>

¹² <https://enterpriseproject.com/what-is-digital-transformation>

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**Digital transformation
is all about unlocking
value in your business
processes and
releasing it
back to customers.**

David Macdonald

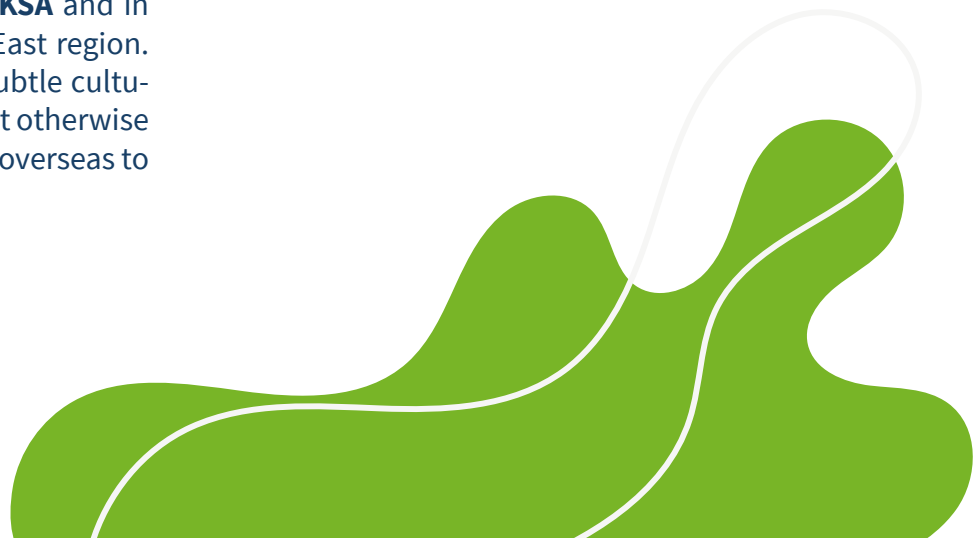
How Alareeb ICT Provides Digital Transformation

Alareeb ICT assists companies and government organizations with a variety of IT and digital transformation services. Aiming to be one of the leading IT consultancies in the GCC area, Alareeb ICT has served the best of clientele in multiple industry segments with robust and comprehensive digital services. Some of the industries that Alareeb ICT has served include: telecom, petrochemical, finance, automotive dealers, FMCG and more.

Alareeb ICT understands the pace at which technology is transforming and how it impacts businesses, commerce, employees, industries, supply chains etc. Alareeb ICT **aligns IT strategies with organizational goals, leveraging current and future technological norms to ensure a seamless integration between the ideas, aspirations and actual solutions, services.**

An important distinction that separates Alareeb ICT from other digital transformation providers is the **company's foundations in the Kingdom of Saudi Arabia, with an embedded understanding of the custom, culture and behavior of work of many companies in KSA** and in other countries in the Middle East region. Alareeb ICT understands the subtle cultural expectations and norms that otherwise make it difficult for companies overseas to effectively work in this area.

Since 2011, Alareeb ICT's many years of experience in the gulf has resulted in a unique understanding of the geographic region. The gulf has a distinctive culture with a specific set of expectations and methodologies. Alareeb ICT's local ties and our exposure to the region helps Alareeb ICT in formulating the right strategies and making appropriate choices to offer the finest of services.



Alareeb ICT Digital Transformation Case Study: Lean Optimized Digital Organization for the Tajeer Group

An example of a digital transformation project that Alareeb ICT recently concluded was with Tajeer Group, one of the leading auto dealers for Chinese brands MG and FAW in Jeddah, Saudi Arabia. In the project, Alareeb ICT transformed the company into a lean optimized digital organization. Tajeer Group was founded in 1997 as a limited liability firm with a mission to offer leasing solutions in compliance with Islamic Shari'ah. Later, it was known as a closed joint stock company with a capital of SR 100 million.

Despite strong competition, the company started investing in the automotive sector and decided to bring transformation in its auto sales sector. Today, it is the official distributor of FAW cars in Saudi Arabia and offers a wide variety of high-quality used cars with a full guarantee and a greater peace of mind for the duration of the purchase contract.

What was needed to be done:

The auto dealer company was looking for a digital transformation services partner to help them undertake the digital transformation phase in core areas sales, after-sales (service and parts), and customer service. To scale its digital transformation and help them capture business opportunities and reduce waste in the operations, the company needed to conduct a digital customer journey and streamline back-end processes of its automotive sector, especially in the core areas mentioned above.

What was done:

Alareeb ICT helped the Tajeer Group in its business process transformation, and lean process optimization was utilized to document the as-is process. Optimization was also considered to eliminate waste in the company's operations and focused on the building of unique designs in order to make the company challenging and competitive in the auto market. With this lean process optimization, the company saved a lot in each business domain and became able to transform its Tajeer Group into a lean optimized digital organization.



Results:

Now, Tajeer Group can directly sell cars through its sophisticated and large showrooms across Saudi Arabia. Alareeb ICT helped them gain huge business opportunities in the auto sales industry and fulfilled their sales, after sales, and customer service requirements. The strategic partnership made it possible for Tajeer Group to sell a variety of Korean, Japanese, and American car brands under the new brand name Motor Souq. The transformation also allowed them to offer guaranteed high-quality used cars either through cash or an easy leasing payment system. Today, Tajeer Group has many showrooms in Jeddah, Riyadh, and Dammam and can conduct numerous workshops throughout Saudi Arabia.

<http://www.taajeer.com>



We are nearing the end of Part 1 on Digital Transformation in this eBook and if you are interested to know more about this topic and start digital transformation for your business, you can connect with one of the experts from Alareeb ICT and click here <https://www.alareebict.com/contact-us>

Continuing Part 1, here are three additional case studies from Alareeb ICT to give you a more in-depth look on how Alareeb ICT works in transforming companies below:

Alareeb ICT Digital Transformation

Case Study 2: The Cooperative Society for Poultry Producers in the Eastern Province (CSPPE) Business Strategy

What was needed to be done:

The Cooperative Society for Poultry Producers in the Eastern Province (CSPPE) is aiming to evolve the poultry industry in alignment with KSA Vision 2030 and looking for a strategic direction for the next 3 years that would meet CSPPE vision.

What was done:

- Establish distribution
- Establish segments mix
- Establish steady profitability
- Grow employee manpower and skills
- Streamline sourcing and operations
- Boost sales and revenue

Results:

Digital transformation was the main driving force behind the CSPPE business strategy. With this strategy, the association can reduce the production gap of poultry meat and ensure high efficiency to boost its sales and revenue in order to make the organization more agile and highly profitable.



Alareeb ICT Digital Transformation Case Study 3: CAAPP 5-Years Business Strategy

The CAAPP is one of the largest poultry producers in the kingdom. They account for almost 5% of the total national poultry production.

What was needed to be done:

Develop the five-year business strategy.

What was done:

The strategy analyzed the current business model and identified potential market segments in terms of customer and product mix. Furthermore, high potential geography has been identified. Based on the size of the market opportunity and the business capacity of CAAPP a complete road map has been identified to implement the strategy to transform the organization into a high profitability agile organization.



Alareeb ICT Digital Transformation Case Study 4: alRomansiyah IT Roadmap

What was needed to be done:

The project will aim to compile the needed information and analyze it in order to produce a solid recommended IT Road map

What was done:

- Assess current digital readiness of the organization ves-a-ves current business plan
- Assess current IT system capabilities and identify GAP
- The recommendation of what is the best approach to go forward





Now you have a better understanding of how Alareeb ICT transforms companies and businesses to adopt a digital transformation plan to keep up with the modern digital era. If you are interested to know more about this current project with CSPPE and start digital transformation for your business, you can connect with one of the experts from Alareeb ICT and click here.

<https://www.alareebict.com/contact-us>

In the next chapter of this eBook , we will discuss
Part 2 - Digital Marketing and how this has changed the way
we perceive products, services and experience online.